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25X1 1. [REDACTED] many large firms and factories in Yunnan had gone bankrupt because of heavy taxes and the obligatory purchase of victory bonds. The Yunnan Textile Company and the Yun Mao (雲茂) Textile Company were expected to close by the end of October because of a shortage of cotton.

2. Most of the people in Yunnan were suffering from food shortages because the Communists had taken their stocks of food.

3. The airline from Kunming to Peiping by way of Chungking and Hankow was still operating. Personnel of the China National Aviation Corporation (CNAC) and the Central Air Transport Corporation (CATC) and ground personnel of the air force headquarters were still holding their positions at the Kunming airfield.

4. Chinese Communist authorities were encouraging the production of tin at Koshihsien (103-05, 23-22). The monthly production rate was 100 tons. The tin was being shipped to Kwangsi on the Yunnan-Kwangsi railway and thence northward for sale to the USSR.

5. Automobile spare parts and gasoline were in very short supply in Yunnan, and many automobiles had been converted to charcoal.

6. Most of the local products from Yunnan, such as tung oil and drugs, were being exported to Hong Kong in exchange for hardware, foreign medicines, spare automobile parts and miscellaneous foreign goods. The principal item of export was opium.

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7. [REDACTED] five trucks of the Southwest Transport Company loaded with 39 drums of gasoline and 200 sets of tires belonging to the Kunming Trading Company left Chungking for Kueiyang.

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CLASSIFICATION CO [REDACTED]

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

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CENTRAL INTELLIGENCE AGENCY

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- 25X1 8. [] 187 trucks of the Southwest Transport Company were at Kueiyang waiting to be loaded with tin to be shipped to Chungking.
- 25X1 9. [] 1,500 barrels of gasoline had been shipped to Nantan (107-33, 24-58), where they were awaiting shipment to Tuyen (107-32, 26-15). [] large quantities of gasoline had been shipped to Tuyen from Chinch'eng (107-59, 24-25).
- 25X1 10. [] 500 barrels of alcohol issued to the Kunming branch office of the Southwest Transport Company are to be shipped to Kunming from Chungking.
- 25X1 11. [] 72 tons of truck parts of the 2 Field Army, 40 tons of medicine of the Medical Department of the Southwest Military District, 600 cases of silver dollars of the Ministry of Finance, and 371 sets of tires and 90 barrels of lubricating oil of the Ministry of Transport* were shipped to Chungking from Hankow aboard the SS CHIANG YUEH (X1 11).**
12. [] 975 bales of leather overcoats weighing approximately 80 tons were shipped from Hankow to Chungking aboard the HUA 214. These were sent to meet an urgent need of elements of the 2 Field Army.**
- 25X1 13. On 12 November 52 hydrogen containers were shipped from Chungking to Hsinching (103-49, 30-25) by air.**
- 25X1 * [] Comment. Presumably this the Ministry of Communications.
- 25X1 ** [] Comment. According to one report, clothing, silver dollars, and other items are being shipped by air by way of Hsinching to Communist forces on their way to Tibet. []
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